

# Calendar No. 1063

68TH CONGRESS }  
2d Session }

SENATE

{ REPORT  
{ No. 1004

## POSTAL QUARTERS RENTED WITHOUT A WRITTEN CONTRACT

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FEBRUARY 3 (calendar day, FEBRUARY 5), 1925.—Ordered to be printed

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Mr. STERLING, from the Committee on Post Offices and Post Roads, submitted the following

### REPORT

[To accompany S. 3967]

The Committee on Post Offices and Post Roads, having had under consideration the bill (S. 3967) to authorize the Postmaster General to rent quarters for postal purposes in certain cases without a formal written contract, and for other purposes, reports the same back to the Senate with the recommendation that the bill do pass without amendment.

The following letter from the Postmaster General to the chairman of the committee explains the need for this legislation:

OFFICE OF THE POSTMASTER GENERAL,  
Washington, D. C., January 6, 1925.

HON. THOMAS STERLING,  
*Chairman Committee on Post Offices and Post Roads,*  
*United States Senate.*

MY DEAR SENATOR STERLING: The Comptroller General has requested that he be furnished with rental contracts at third-class post offices. Contracts are not now secured except where formal leases are negotiated. The postmaster is simply granted an annual allowance for rent, and in accordance therewith furnishes the General Accounting Office with a voucher covering the disbursement.

The Comptroller General holds that, under existing law, he must have such contracts but has agreed to defer his demand for them until we have had an opportunity to obtain legislation relieving us from this requirement.

The securing of written contracts at these offices would, in my opinion, involve an increase in the cost of renting post-office quarters of about \$500,000 per annum, for the reason that property owners would undoubtedly demand very material rental increases if they are required to execute formal contracts binding them to certain stipulated terms and conditions.

There are approximately 6,590 third-class post offices where contracts would have to be obtained. I estimate that it would require an annual expenditure of about \$25,000 for the additional clerical assistance incident to securing contracts at these offices, and to keep the necessary records relating thereto.

This additional expense of \$525,000 per annum would be for no other purpose than to comply with the decision of the Comptroller General on the subject, and

legislation should be enacted relieving us from this unnecessary expenditure of public funds.

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While the question of the rental contracts for post offices is perhaps the most pressing question involved, the Comptroller General's rulings on this point extend to all the purchases made by the Postal Service in the field and require the same formalities to be observed in the case of the most inconsequential purchases as are required in connection with those involving large expenditures of funds.

In order to relieve this situation and to avoid a considerable expense from which no practical benefit would result, I have asked, in my annual report for the fiscal year 1924, for the passage of permanent legislation extending to the Post Office Department the same discretion with regard to the open-market purchase of supplies of small quantity and value, which has already been granted to most of the other departments, and I would most earnestly recommend that this legislation be enacted during the present session of Congress, as the Comptroller General has stated that unless such a law is passed before March 4, 1925, he will require a large amount of additional evidence to be submitted with the vouchers for each purchase made, which he considers necessary under the terms of the existing law, but which, as I have already stated, will involve much additional expense to the department without any compensating advantage.

Very truly yours,

HARRY S. NEW,  
Postmaster General.

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